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**THIRD DEFENDANT RECEIVES JAIL TIME FOR
\$187,000 INSURANCE FRAUD SCHEME**

SACRAMENTO--McGregor W. Scott, United States Attorney for the Eastern District of California, announced today that IAN REYNOLDS, 27, of Sacramento, was sentenced to a year in prison for his participation in a scheme to submit fraudulent insurance claims to Farmers Insurance Group (Farmers).

U.S. District Court Judge Lawrence K. Karlton sentenced IAN REYNOLDS to twelve months and 1 day of imprisonment. REYNOLDS was also placed on supervised release for a period of 3 years and ordered to pay restitution in the amount of \$117,092.44.

The case is the product of an extensive investigation conducted by FBI.

According to Assistant United States Attorney S. Robert Tice-Raskin, who prosecuted the case, starting in the Summer or early Fall, 2002, defendants LISA REYNOLDS, AARON WARD and IAN REYNOLDS (former husband to LISA REYNOLDS) agreed upon a scheme to defraud Farmers Insurance Group by creating fictitious insurance claims and utilizing the claims proceeds for their own benefit. LISA REYNOLDS selected previously paid insurance claims and supplied that claim information to defendant AARON WARD. Defendant AARON WARD accessed the claims in Farmers' computerized claims processing system, "re-processed" the claims with different payee names and addresses, and then caused checks to be issued to the various payees and mailed to various post office boxes in the Sacramento area controlled by the defendants. Defendant IAN REYNOLDS retrieved various checks, endorsed the checks with the appropriate payee name, deposited these checks into financial accounts under his control and subsequently disbursed the proceeds of the fraud between himself and co-defendants LISA REYNOLDS and AARON WARD. Defendants ultimately caused Farmers to issue over 40 checks with an aggregate value of \$187,928. Defendants also negotiated over 20 checks with an aggregate value of \$121,881.

On January 25, 2005, LISA REYNOLDS was sentenced to two months imprisonment and six months of home detention; AARON WARD was sentenced to five months of imprisonment and five months of home detention. Both were placed on supervised release for a period of three years and also ordered to pay restitution.

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